

**MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION**

10:00 a.m., Monday, November 5, 2007

Joel D. Valdez Main Library

Lower Level Meeting Room

101 N. Stone Ave.

Tucson, Arizona 85701

The State Transportation Board met in official session for a Study Session at 10:04 a.m., Monday, November 5, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bobbie Lundstrom, Si Schorr, Felipe Zubia and Bill Feldmeier via telephone conference. Delbert Householder and Bob Montoya were absent. Also present were Director Victor Mendez, Richard Travis, John Schlosser and Ron Aschenbach. There were approximately 60 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Joe Lane welcomed the audience and led them in the Pledge of Allegiance.

I-10 Bypass Study

Mr. Buskirk gave a presentation to the Board regarding the study. The study area is a route going around the Metropolitan Phoenix and Metropolitan Tucson areas. In response to the State Transportation Board's request, a scope of work was put together and a series of stakeholder interviews were held. Four public meetings were held to solicit input. A technical Advisory Committee was formed to represent the region and the state. The Committee is charged with keeping their respective regional planning entities informed of the study progress, to review the study as it progressed and provide comments. The purpose of the study is to make a preliminary assessment of the need for and feasibility of a new transportation corridor that would provide an alternative to I-10. A statement of project purpose and need were developed. The purpose is to provide an additional high-capacity transportation corridor to accommodate travel across southern and central Arizona. Need is measured by: relieve traffic congestion on I-10; provide shorter, faster route; provide alternative route; serve expected population growth and context sensitive to environmental and social elements. A map was shown that identified the number of environmental constraints as well as initial potential corridors. After the stakeholder interview process and public participation process, a refined corridor alternatives map was developed. Major constraints were identified and compared to the refined corridor alternatives. A field survey was undertaken and further adjustments were made. The corridor could be as long as 250 miles; therefore, it was divided into two segments, a western segment and an eastern segment. The west segment comparative routes were shown. There are two existing state highways that serve as a limited bypass function, SR 85 and I-8. ADOT is in the process of taking SR 85 to a four-lane divided roadway. MAG has done a significant amount of long-range planning in the Sun Corridor area. Significant development is expected in this area. Context sensitive issues include the wildlife corridor (Sonoran Desert National Monument to Sierra Estrella Wilderness), near Sonoran Desert National Monument and entitled lands in cities of Goodyear, Maricopa and Casa Grande. The east segment comparative routes were shown on a map. There are no existing roadways that could serve as a functional bypass. A number of alternative corridors for the I-10 bypass were identified and include Route 1, Route 2, Route 3 and Route 4. Route 4 has been studied by the Pima Association of Governments and could serve significant regional travel. Needs assessment were compiled and shared and include relieve traffic on I-10, provide shorter, faster route, provide alternative route and serve expected growth in Sun Corridor. Context sensitive corridor issues were identified and include Routes 1, 2 and 3 proximity to many protected and environmentally

sensitive lands, particularly in the San Pedro Valley and Aravaipa Valley and Route 4 proximity to several protected and environmentally sensitive lands, particularly in Avra Valley. There has been due diligence in identifying the environmentally sensitive lands and the sensitive land use areas. Preliminary findings include issues related to need including congestion in metropolitan Phoenix and Tucson areas, anticipated high growth in Sun Corridor and absence of alternative route, particularly the east segment. Issues related to feasibility with several alternative corridors include no encroachment into protected lands, identified routes appear to be constructible, preservation near "entitled" lands is needed, strong stakeholder and public opposition to corridors in San Pedro Valley, cost range of \$6-\$8 billion for 250 miles and no funding source currently available. Because the bypass of I-10 has statewide and regional planning implications, presentations of preliminary findings to appropriate committees are being held. In the first round, four meetings were held; it is recommended that six meetings be held in the second round and include Buckeye, Casa Grande, Tucson, Benson, Willcox and Safford.

An audience member asked where the future meeting notices will be announced. It was stated that the next steps are to schedule the six public meetings as described earlier. They will be appropriately advertised. The date, time and location will be posted on the web site devoted to this study.

Mr. Schorr asked if this presentation was available to the public. In reply, yes, it has been posted on the ADOT web site.

Mr. Schorr asked if there are copies available to the public right now. In reply, no, there are no hard copies available. It is available on the web site. The web site is www.azdot.gov.

Mr. Schorr suggested that regarding Route 4, another meeting will need to be scheduled in Avra Valley or Marana to accommodate people affected by that particular route.

Mr. Schorr stated that he understands we cannot take action at this meeting. The purpose of this meeting is to receive the report, make comments and ask questions. He asked if the Tucson segment is the only segment that does not have an alternate route. In reply, the answer was yes.

Mr. Schorr said the study needs to be vetted with the public. The intent is to see if we can't reach fruition with the study in January. Action would then determine if it is feasible to have a more thorough study of the alternatives. In reply, that is correct; this preliminary study was to examine an I-10 bypass to see if additional study was warranted. A number of issues have been identified that warrant a more detailed analysis in the future.

Mr. Schorr stated that the preliminary findings do not mention the previous truck studies, trade corridor studies, that have been performed on the I-10 corridor. In reply, they were taken into account. An eight state coalition did an I-10 Trade Corridor Study; Arizona was a participant. Mr. Schorr stated that one of those findings was the need for an alternate route to accommodate the growth in truck traffic and the growth is predicted to be twice the growth rate of car traffic. In reply, that is correct. A high percentage of the traffic on I-10 is truck traffic and that percentage is expected to increase.

Mr. Schorr said that in the presentation with respect to prospective traffic growth, they did not take into account the growth that would be generated internally, for example, a citizen traveling to and from their job.

Mr. Schorr said that you cannot compare a truck to a car for the purpose of space occupied on the system and maintenance. One truck is equivalent to eight to twelve cars on the road. And trucks cause damage to pavement at a rate of approximately one truck to 9,600 private vehicles.

Mr. Schorr said that we will have a public hearing in Oro Valley on December 21 and in Casa Grande on January 18. This item will probably be on the agenda. He continued stating that generally ADOT has been criticized for not doing advanced planning. That is being changed and has been changed for awhile. This study is an effort to get ahead of the curve.

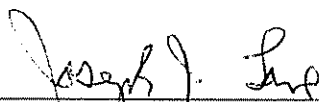
In reply to a question by Mr. Schorr, Mr. Buskirk said that the purpose of the study was to assess the need for feasibility of alternative corridors for I-10. It does not get into the design; however the I-10 bypass would be a limited access highway. There are only very specific and well defined points at which one can enter or depart from the roadway. The spacing of those access points is very important. There are a number of design features that can be employed that blend the roadway to a better integration into its surrounding environment limiting the impact of that roadway on the surrounding environment.

Mr. Schorr stated that he is looking at the core route and determining from the report what the savings in miles and time would be. He suggested that at the next meeting we prepare a schedule matrix to show specifics at a glance. In reply, those statistics were for planning purposes only. Mr. Schorr feels the statistics do not take into account the truck traffic.

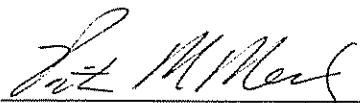
Mr. Buskirk suggested a seventh public meeting take place in Marana.

ADJOURN

The study session was adjourned at 11:00 a.m.



Joe Lane, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

**MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING**

9:00 a.m., Friday, November 16, 2007

Lake Havasu City Council Chambers

2330 McCulloch Blvd. North

Lake Havasu City, AZ 86403

The State Transportation Board met in official session for a Board meeting at 9:00 a.m., Friday, November 16, 2007, with Chairman Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom via teleconference, Si Schorr and Felipe Zubia. Also present were Director Victor Mendez, Richard Travis, Sam Elters, John McGee, Bill Pederson, Lynn Sugiyama, Don Mauller, Rick Rice, Joe Acosta, Eileen Collieran, Gail Lewis, Matt Fleming and Jim Dickey. There were approximately 50 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Joe Lane led the audience in the Pledge of Allegiance and thanked Lake Havasu City for their wonderful hospitality. Mayor Mark Nexsen provided welcoming remarks and information on Lake Havasu City including the community is pleased with the widening and repaving of SR 95 completed in 2004. Staff is now working with ADOT on several projects including the enhancement of that corridor. An IGA was entered into with ADOT and Mohave County to begin a planning phase for a future bypass parkway. Challenges include water, waste water, the growing cost of transportation and other services. ADOT's efforts are appreciated to relieve congestion and increase safety on SR 93. And work is supported on the Highway 68 connection. A Resolution was read pertaining to Lake Havasu City, Kingman and Bullhead City projects. Kingman Councilman Janet Watson stated that on October 1, the Council unanimously adopted the Resolution read by Lake Havasu City Mayor Nexsen. Bullhead City Councilman JB Wise stated that on October 16, the council unanimously passed the same Resolution.

DISTRICT ENGINEER'S REPORT

Mike Kondelis, District Engineer provided an update on projects and issues of regional significance. Major projects in the district include two realignment projects, SR 95 to SR 68 and the bypass around the east side of Lake Havasu City, the enhancement project from Swanson to Mesquite, the Hoover Dam bypass on US 93, paving, improving 15 miles of two-lane roads south of the Hoover Dam bypass project, the Cottonwood Canyon-Bridle Creek project, between I-40 and Wikieup constructing a four-lane highway and connecting I-40 to the four-lane project completed last year, Southbound Ranch Road and Antelope Wash on 93 south, pavement preservation projects on I-40, nine bridge projects, the Needle Mountain Rest Area, interchange projects on I-40 in Kingman and the West Kingman Traffic Interchange scoping project.

CALL TO AUDIENCE

Rusty Gant, on behalf of the community of Wickenburg, thanked the Board for consideration of Item 38, the Wickenburg Bypass, a four-lane road between Phoenix and Las Vegas and Item 12.

Chip Davis, Yavapai County Supervisor, thanked the Board for the state board meeting process. Yavapai County is receiving an award for partnering and planning with the Department of Transportation. Approval is desired for Item 42 and 37 on the agenda, State Route 260 from Cottonwood to Camp Verde and 89 from Cottonwood to Clarkdale.

Jay Ream, Assistant Director of Arizona State Parks, representing the Arizona State Parks Board, reported to the State Parks Board issues facing the Transportation Board regarding State Parks Roads. As a result, the State Parks Board voted to urge the Transportation Board to continue partnering with State Parks. A letter from William Cordasco, Chairman of the Arizona State Parks Board was presented.

Bill Mulcahy, Lake Havasu City Parks and Recreation, supports Arizona State Parks issues including the mainland launch ramp. An MOU was approved to move forward on a mainland launch ramp. ADOT's partnership is appreciated.

Anna Lands, Cascabel Working Group, stated that the Cascabel Working Group has concerns regarding the proposed I-10 bypass. At the Tucson working session on November 5, 2007, it was suggested that Tucson was the only city along I-10 without an alternate route to bypass the city. The study shows this is not the case. Several cities were mentioned that do not have reasonable alternate routes. Much of I-10 has no reasonable alternate routes. Only two of the questions proposed to ADOT have been answered. It is essential that these questions be answered. There has been no substantive information presented from the I-10 bypass study. These working papers must be available in sufficient time for them to be analyzed prior to the next round of public meetings. These meetings are scheduled for later this month, leaving no serious time for study by various stakeholders. We strongly request that the State Transportation Board make these papers immediately available and the public meetings postponed until the working papers can be properly considered. Without these papers there is no evidence that ADOT has taken into consideration the southeast area arterial study, nor other studies. These studies suggest a number of ways to reduce congestion on I-10. There appears to be haste in deciding an issue of this importance. Given uncertainties, it would seem reasonable to take time to allow the picture to mature before taking any irreversible action. Other issues the Cascabel Working Group feel need addressed include, there is little evidence that ecological issues have been adequately addressed, the interest of the residents seems to not have been given serious consideration, a disappointment that information resulting from the study has not been posted on the ADOT web, factoring in of water availability, demographics etc., changes affecting traffic and taxation, we have seen no study to indicate a significant amount of traffic would use the proposed bypass, the suitability of the bypass has not been examined under the criteria of the Federal Highway Administration and the economic issues have never been fully explained.

Mike Willett, Assistant Public Works Director for Yavapai County, on behalf of the citizens of Yavapai County, thank you for your consideration on two important construction projects, Item 37 SR 89 between Clarkdale and Cottonwood and Item 42 SR 260 between Cottonwood and Camp Verde.

Dave Barber, Transportation Planner, Western Arizona Council of Governments, stated that Lake Havasu City has more than 55,000 permanent residents. Lake Havasu and Bullhead City are two of the three largest communities in Mohave County and have only one access to the north and south into their community, SR 95. Limited access caused by geographical limitations has created slow and dangerous driving conditions on much of Highway 95. A transportation study identified an alternative route as a means of being proactive. Mohave Valley is experiencing similar increases in traffic with limited access control. This causes numerous collisions along Highway 95. Design plans must remain scheduled. This also is the location of three of the most frequent accident locations within the state of Arizona. Bullhead City has a need for financial assistance with a second bridge across the Colorado. Kingman to the east remains focused on two new I-40 interchanges. Kingman awaits completion of additional segments of US 93 to the south. The completion provides safety to thousands of travelers each day. Public transit throughout Arizona is growing, unmet needs are increasing and provider trips

are being increased. FDA programs are vital to the ongoing mobility of the elderly, special needs clients and entry level wage earners. A JLBC proposal raids L Tab Two funds. The legislature must realize they are passing costs on to cities and towns if they pass this effort. He would like ADOT to address the development, construction and ongoing maintenance of interstate rest areas. Several years ago, two transportation enhancements were recommended for funding of the Needles Mountain Rest Area. It was \$1.5 million allocated and the project is on hold affecting the economy.

Jodi Rooney, Administrator, CYMPO, mentioned the Transportation Enhancement Program on the agenda today. It is a fabulous program that is highly popular. The multiuse path is an example of one of the projects that may not be here if not for the funding.

Lon McDermott, Former Mayor, Town of Wickenburg and Chairman Town of Wickenburg's Destination Wickenburg Task Force, thanked the Board and staff for bringing the US 93 interim bypass in Wickenburg to be considered for award. It has been in the planning stage for the past eight years and the town anxiously awaits its construction. It will eliminate the truck traffic through the two-lane historic downtown Wickenburg area. Project completion should coincide with the Hoover Dam bypass. In agenda Item 12, Wickenburg is being considered for an economic project strength award and consideration is appreciated. The Board was invited to hold a meeting in the Town of Wickenburg in 2008.

W. Mark Clark, Interim Public Work's Director, stated that transportation planning is important. It has allowed for access control on SR 95 and allows the highway to function at a higher level. Transportation funding is the critical issue. Yavapai County has done a good job with their planning.

CONSENT AGENDA

Mr. Schorr recused himself from Items 36, 37, 38, 39 and 42.

Director's Report

Victor Mendez provided an up-to-date report regarding current issues and events affecting ADOT. An audit process was underway and the Office of the Auditor General presented findings before the Committee of Reference and shared on the web sites. Questions were raised and answered and the Committee of Reference is recommending a ten year extension for ADOT. Process improvement recommendations are being implemented.

Legislative Report

Eileen Collieran provided an update on State and Federal Legislative issues. Regarding the fiscal year '08 transportation budget, Congress passed a Conference Report. The full House approved the report; the Senate should approve it next week. The issue is there have been a number of veto threats from the President for most of the appropriations including the Transportation Appropriations Bill. The leadership is looking at strategy used to pass these bills. A Continuing Resolution has been passed through December 13. The FAA Reauthorization expired September 30, 2007. They have provided a Continuing Resolution to allow it to continue however it is having an impact on the large and small airports through some of the entitlement programs. It is hoped that everyone will continue talking with our delegation in support of passing the FAA Reauthorization Bill.

Financial Report

John McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and

forecasts, and reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. HURF collections for the month of October totaled \$107.3 million, a decrease of 2.3 percent from October 2006 and 4.4 percent below the estimate. HURF collections through October amounted to \$439.5 million, a decrease of 1.0 percent from last year and 3.9 percent below the forecast. Every category is running behind forecast. If continued, HURF could end the year up to \$70 million under forecast equating to a \$30-\$35 million impact to the Department. Similar types of trends are seen on the half-cent sales tax in Maricopa County. September RARF collections totaled \$31.0 million, a decrease of 3.2 percent from September 2006 and 4.8 percent under the estimate. Year-to-date collections total \$95.675 million, an increase of 0.3 percent over the same period last year, but 1.8 percent below the estimate. Major areas of weakness are in Retail Sales, Utilities and Rental of Personal Property. Lower consumer confidence, higher fuel prices, the weak housing market and the volatile credit markets have all combined to make consumers more cautious. Investments for the month of October, ADOT earned \$4.633 million on investments representing an average yield of 4.76 percent. Year-to-date earnings total \$19.14 million representing an average yield of 4.84 percent. As of the end of October, the HELP Fund cash balance totaled \$86 million, up \$6.2 million over the prior month. The increase was due to loan repayments of \$5.9 million, \$600,000 of interest income offset by approximately \$300,000 of loan draws.

Financing Program

John McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. Information shared in the Board packet included the final pricing report on the Board's \$370 million RARF pricing and the preliminary pricing report on the Board's upcoming \$68 million GAN pricing. The \$370 million RARF pricing is the largest single issuance in the Board's history. The Issue was successfully priced on November 6, 2007, at a true interest cost of 4.2766 percent with maturities extending from 2008 to 2025. The Issue is on track to close on November 27. The pricing information on the \$68 million GAN Issue for the widening of I-10 between 101 and Sarival Road is in the Board packet. The pricing of the Issue is anticipated for the week of December 10.

Fifth Supplemental Resolution Authorizing the Issuance of Grant Anticipation Notes, Series 2008A

John McGee presented the Fifth Supplemental Resolution to the Resolution Adopted June 9, 2000, authorizing the Board's anticipated issuance of Grant anticipation Notes, Series 2008A, in an amount not to exceed \$68,000,000. The Resolution is similar to past GAN Resolutions and was included in the Board packet. Adoption of this Resolution is recommended.

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Appointment of Underwriters, Grant Anticipation Notes, Series 2008A

John McGee presented a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Grant Anticipation Notes, Series 2008A. It is in the best interest of the Board to proceed with negotiated pricing of this Issuance. An approval of the adoption of the Resolution is recommended.

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously.

Help Loan

John McGee presented a Resolution recommending approval of an application for Financial Assistance from, and a Loan Repayment Agreement with, the City of Eloy for construction of the following project: Sunshine Boulevard Reconstruction. The loan is for \$3.2 million with a term of five years. This city will assist with the attraction of a major new employer resulting in the creation of 118 new full-time jobs for the City. The loan application was reviewed by the HELP Advisory Committee on October 25, 2007, with an endorsement and recommended it be sent to the Board for consideration for approval. Included in the Board packet is a Resolution recommending approval of the application for financial assistance from and a loan repayment agreement with the City of Eloy for the construction of this project. Approval is recommended.

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

*** MINUTES – APPROVAL**

Special Board Meeting Executive Session Minutes – September 28, 2007

Special Board Meeting Minutes – September 28, 2007

Board Meeting Minutes – September 21, 2007

Study Session Minutes – September 21, 2007

Executive Session Meeting Minutes – September 21, 2007

Study Session I Minutes – August 17, 2007

Board Meeting Minutes – August 17, 2007

Update on the I-10 Bypass Study Process. Setting hearings with affected COGs and jurisdictions and consideration of action by the Board in January

Don Mauller presented a schedule of upcoming meetings. A series of round two public meetings are on November 26 in Marana, November 27 at Safford, November 28 in Bensen, November 29 in Tucson, December 4 in Casa Grande, December 5 in Buckeye and December 6 in Willcox. It was suggested that draft studies be posted on the web site.

Overview of the annual process for the development of ADOT's 5-year construction program

Don Mauller provided an overview of the 2009-2013 Five-Year Transportation Facilities Construction Program process. The district engineers work with the regions to develop a project listing. They will present a list of projects. TPD will apply criteria and develop a ranking of projects. A Technical Advisory Committee will rank the projects and will recommend selections. TPD will present the recommendations to Board members. The recommendations will be taken to the Priority Programming Advisory Committee (PPAC) for approval to forward to the Board for approval. The Transportation Board will review them in February with anticipated adoption of the program to move forward with public hearings. The Transportation Board will review public comments. PPAC will approve recommendations to be transferred to the Board for recommendations for approval. The Board will approve them at the June meeting. There is \$700 million available for distribution through the year 2013. SAFETEA-LU is being reviewed. Next forecast events include a risk analysis process, Resource Allocation Advisory Committee discussion and Board discussion. For major projects, district engineers meet with local communities to develop a list of projects. The list must be scoped and have a preliminary cost estimate. All scoped projects will compete with projects statewide for programming. Projects selected must be fiscally constrained. Scoping projects are awarded points if they involve part of MoveAZ recommendations. Subprograms have a predefined funding level established and approved by the Board. Some subprograms are considered Off the Top, deemed to

benefit the entire state. Regional allocations based on a three year rolling average were described indicating how much would be applied to each region. Impacts of construction cost increases include an inability to increase funding levels and limit the ability to add new projects. Victor Mendez emphasized that staff provides recommendations. If the Board does not agree with the recommendations, there is an opportunity to make changes.

Rest Areas

Sam Elters provided information as a follow up to an August Study Session. Two locations in the state were identified for commercialization and include Call Wash on I-8 and Juniper Mountain on I-40. The Board's concurrence is sought to explore the concept. A scope will enable the task to be achieved. Mr. Feldmeier suggested it be identified as a public/private partnership and to look at all of the other rest area. Mr. Elters stated that it is a public/private partnership and current laws and policies prevent other areas from being considered for public/private partnership. Opportunities may arise while going through the process with the two rest areas identified. Mr. Feldmeier would like to be kept informed. An update can be provided at the next Board meeting. Mr. Zubia asked if there has been thought regarding a wireless service provider. In reply, staff is to take a broad look and explore all possibilities.

Board Action: A motion to approve the above recommendation allowing staff to proceed was made by Mr. Householder, seconded by Schorr and passed unanimously.

Contributions to State Parks and other sub accounts from the HURF

Information needed for Board discussion was not complete.

Board Action: A motion to table this Item was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously.

Viability of recruiting out-of-state bidders

Sam Elters stated that for out-of-state contractors to bid on ADOT projects, three steps must be successfully completed starting with the need to obtain authorization from the Corporation Commission in Arizona to do business in the state. Second, to receive the proper license from the Registrar of Contractor and third, there is an application for a prequalification with ADOT to review the contractor's work experience and to gain insight into the company's financial status. This allows for a prequalification for a certain type of work for a specific period of time. Some contractors come in to work for other companies and then remain in the state to bid on ADOT work. There are 133 Arizona contractors pre-qualified to bid on ADOT work. There are 91 out-of-state contractors pre-qualified to bid on ADOT work. As far as recruiting out-of-state contractors, it is a business decision based on work load, the desire and ability to expand and take risks, and willingness and capacity to compete in a new market. Private development market status versus public market work load level also plays a part. There are eight projects on the agenda today. Three are to be awarded to out-of-state contractors. A Board member felt that with this information we are getting sufficient notice to out-of-state contractors. Mr. Schorr asked about information being provided in journals and magazines.

* **2007 BOARD MEETING & PUBLIC HEARING DATES AND LOCATIONS**
STUDY SESSIONS TO BE SCHEDULED AS NEEDED

December 21, 2007 – Board Meeting – Tucson (Oro Valley) – 9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

SUBJECT: PRIORITY PLANNING ADVISORY COMMITTEE MEETING (PPAC)

TERC – Round 15 Recommended Projects

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Zubia and passed unanimously.

Recommended Economic Strength Projects
(ESP) – Round 1 FY 2008

	<u>ESP Selection</u>	<u>Recommended Award</u>
a.	Town of Sahuarita	\$450,000
b.	Town of Wickenburg	<u>\$66,116</u>
	Total	\$516,116

	<u>Recommended ESP Project to be Deleted</u>	<u>Awarded Amount</u>
c.	Town of Queen Creek	\$500,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

FY 2008-2012 Transportation Facilities Construction Program Requested Modifications

ROUTE NO: SR 189 @ MP 0.0
COUNTY: Santa Cruz
SCHEDULE: FY 2008
SECTION: Mariposa Port of Entry, Nogales
TYPE OF WORK: Construct new parking area and
road improvements
PROGRAM AMOUNT: \$3,279,000
PROJECT MANAGER: David Mellgren
PROJECT: H528205C Item # 18006
REQUESTED Decrease the port of entry project by \$2,200,000 to
ACTION: \$1,079,000 in the FY 2008 Highway Construction
Program. **Return the funds to the FY 2008
Statewide Contingency Fund #72308.**

NEW PROGRAM AMOUNT: \$1,079,000

COUNTY: Yuma
SCHEDULE: FY 2008
SECTION: San Luis II Port of Entry
TYPE OF WORK: Construct port of entry
PROGRAM AMOUNT: \$8,580,000
PROJECT MANAGER: Dave Mellgren
PROJECT: H686201C Items# 16408 and 15308
REQUESTED Increase the port of entry project by \$2,200,000 to
ACTION: \$10,780,000 in the FY 2008 Highway Construction
Program. **Funds are available from the FY 2008
Statewide Contingency Fund #72308.**

NEW PROGRAM AMOUNT: \$10,780,000

Board Action: A motion to approve Items 13 and 14 was made by Mr. Zubia, seconded by Mr. Schorr and passed unanimously.

ROUTE NO: SR 85 @ MP 53.0
COUNTY: Pima
SCHEDULE: FY 2008 – New Project Request
SECTION: Lukeville Port of Entry
TYPE OF WORK: Master Plan Study
PROGRAM New Project
AMOUNT:
PROJECT Rudolfo Perez
MANAGER:
PROJECT: H740901L
REQUESTED Establish a new study in the FY 2008 Highway
ACTION: Construction Program. **See funding sources below.**

FY 2008 Statewide Contingency Fund #72308 \$50,000
FY 2008 FHWA Grant \$50,000
NEW PROGRAM AMOUNT: \$100,000

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

ROUTE NO: SR 169 @ MP 0.0
COUNTY: Yavapai
SCHEDULE: FY 2008
SECTION: Agua Fria Bridge #2897
TYPE OF WORK: Bridge replacement
PROGRAM AMOUNT: \$5,232,000
PROJECT MANAGER: Kamal Mirtalaei
PROJECT: H635101C Item #17608 Utility Agreement

3046-07-PVWD

REQUESTED ACTION: Decrease the bridge project by \$1,236,000 to \$3,218,000. Increase the project by \$458,000 to \$4,454,000 in the FY 2008 Highway Construction Program. **See funding sources below.**

Return to FY 2008 District Minor Fund #73308	\$-700,000
Return to the Town of Prescott Valley Utility Agreement	\$-536,000
Increase from the FY 2008 Bridge Replacement and Rehabilitation Fund #76208	\$458,000
NEW PROGRAM AMOUNT:	\$4,454,000

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously.

FY 2008-2012 Airport Development Program - Requested Modifications

AIRPORT NAME:	Superior Municipal
SPONSOR:	Town of Superior
AIRPORT CATEGORY:	Secondary
SCHEDULE:	FY 2008 – 2012
PROJECT #:	E6S40
PROGRAM AMOUNT:	Project Change
PROJECT MANAGER:	Kenneth Potts
PROJECT DESCRIPTION:	Site Selection and Airport Layout Plan
REQUESTED ACTION:	Recommend STB approval.

FUNDING SOURCES:	FAA	\$
	Sponsor	\$4,412
	State	\$83,837
	<i>Total Program</i>	\$88,249

AIRPORT NAME:	Ernest A. Love Field
SPONSOR:	City of Prescott
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2008 – 2012
PROJECT #:	E8S79
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Kenneth Potts
PROJECT DESCRIPTION:	Prepare Airport Lease Rates Analysis in association with Master Plan
REQUESTED ACTION:	Recommend STB approval.

FUNDING SOURCES:	FAA	\$
	Sponsor	\$847
	State	\$7,623
	<i>Total Program</i>	\$8,470

AIRPORT NAME:	Ernest A. Love Field
SPONSOR:	City of Prescott
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2008 – 2012
PROJECT #:	E7S09
PROGRAM AMOUNT:	Project Change
PROJECT MANAGER:	Kenneth Potts
PROJECT DESCRIPTION:	Design Only: Airfield Drainage Study
REQUESTED ACTION:	Recommend STB approval.

FUNDING SOURCES:	FAA	\$
	Sponsor	\$12,278
	State	\$110,507
	<i>Total Program</i>	\$122,785

AIRPORT NAME:	Ernest A. Love Field
SPONSOR:	City of Prescott
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2008 – 2012
PROJECT #:	E8F78
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Kenneth Potts
PROJECT DESCRIPTION:	Prepare Airport Master Plan Update Study including an Environmental Evaluation/ Environmental Overview
REQUESTED ACTION:	Recommend STB approval.

FUNDING SOURCES:	FAA	\$185,000
	Sponsor	\$35,588
	State	\$10,552
	<i>Total Program</i>	\$231,140

AIRPORT NAME:	Yuma International/Yuma MCAS
SPONSOR:	Yuma County Airport Authority
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2008 – 2012
PROJECT #:	E8S77
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Kenneth Potts

PROJECT DESCRIPTION: Master Plan Update
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$
	Sponsor	\$32,348
	State	\$291,136
	<i>Total Program</i>	\$323,484

AIRPORT NAME: Laughlin/Bullhead International
SPONSOR: Mohave County Airport Authority
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2008 – 2012
PROJECT #: E8F70
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Matthew Smith
PROJECT DESCRIPTION: Improve Rwy 16/34 Safety Area
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$7,205,995
	Sponsor	\$189,637
	State	\$189,637
	<i>Total Program</i>	\$7,585,269

AIRPORT NAME: Lake Havasu City
SPONSOR: Lake Havasu City
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2008 – 2012
PROJECT #: E8F71
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Matthew Smith
PROJECT DESCRIPTION: Install Airfield Guidance Signs
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$389,819
	Sponsor	\$10,258
	State	\$10,259
	<i>Total Program</i>	\$410,336

AIRPORT NAME: San Manuel
SPONSOR: Pinal County
AIRPORT CATEGORY: Public GA
SCHEDULE: FY 2008 – 2012
PROJECT #: E8F75
PROGRAM AMOUNT: New Project Request

PROJECT MANAGER: Tammy Martelle
PROJECT DESCRIPTION: Parallel Twy for Runway 11/29 (Design Only)
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$150,000
	Sponsor	\$3,947
	State	\$3,948
	<i>Total Program</i>	\$157,895

AIRPORT NAME: Sierra Vista Municipal– Libby AAF
SPONSOR: City of Sierra Vista
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2008 – 2012
PROJECT #: E8F69
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Kenneth Potts
PROJECT DESCRIPTION: Prepare Airport Layout Drawing Set
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$150,000
	Sponsor	\$3,947
	State	\$3,948
	<i>Total Program</i>	\$157,895

AIRPORT NAME: Benson Municipal
SPONSOR: City of Benson
AIRPORT CATEGORY: Public GA
SCHEDULE: FY 2008 – 2012
PROJECT #: E8F74
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Tammy Martelle
PROJECT DESCRIPTION: Construct Parking Lot; Install Twy A MITL;
Install AWOS III
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$654,486
	Sponsor	\$17,224
	State	\$17,224
	<i>Total Program</i>	\$688,934

AIRPORT NAME: Tucson International
SPONSOR: Tucson Airport Authority
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2008 – 2012

PROJECT #: E8F80
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Tammy Martelle
PROJECT DESCRIPTION: Expand Terminal Apron (Design); Security Enhancements
REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$4,520,282
	Sponsor	\$221,894
	State	\$221,894
	Total Program	\$4,964,070

Board Action: A motion to approve Items 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 was made by Mr. Schorr, seconded by Mr. Feldmeier and passed unanimously.

- *
 - Minutes of the PPAC Meeting held October 31, 2007
 - Summary of Approved Changes to the FY 2008-2012 Highway Construction Program
 - Highway Program Monitoring Report

RIGHT OF WAY RESOLUTIONS

- *

RES. NO:	2007-11-A-071
PROJECT:	F-022-4-736 / 070GH336H415901R
HIGHWAY:	GLOBE - LORDSBURG
SECTION:	Thatcher - Safford
ROUTE NO.	U.S. Route 70
ENG. DIST.	Safford
COUNTY:	Graham
RECOMMENDATION:	Establish as a state route and state highway for construction of catch basin improvements

- *

RES. NO:	2007-11-A-072
PROJECT:	S-303-A-701 / 303LMA005H681101R
HIGHWAY:	ESTRELLA FREEWAY
SECTION:	MC85 – I-17
ROUTE NO.	State Route 303L
ENG. DIST.	Phoenix
COUNTY:	Maricopa
PARCELS:	7-10494, 7-10495, 7-10496 and 7-10584
RECOMMENDATION:	Establish new right of way by Advance Acquisition

- *

RES. NO:	2007-11-A-073
PROJECT:	I-010-D-802 / 010PM254H624101R
HIGHWAY:	CASA GRANDE - TUCSON
SECTION:	Prince Road – Grant Road T.I's
ROUTE NO.	Interstate Route 10

ENG. DIST.	Tucson
COUNTY:	Pima
RECOMMENDATION:	Establish as a state route for interchange improvements to enhance safety for the traveling public

*	RES. NO:	2007-11-A-074
	PROJECT:	I-010-E-702 / 010CH298H650401R
	HIGHWAY:	TUCSON - BENSON
	SECTION:	Skyline T.I. – Ocotillo T.I.
	ROUTE NO.	Interstate Route 10
	ENG. DIST.	Safford
	COUNTY:	Cochise
	PARCEL:	2-1076
	RECOMMENDATION:	Establish as a state route for interchange improvements to enhance safety for the traveling public

*	RES. NO:	2007-11-A-075
	PROJECT:	I-010-D-803 / 010PM245H583801R
	HIGHWAY:	CASA GRANDE - TUCSON
	SECTION:	Twin Peaks – Linda Vista T.I.
	ROUTE NO.	Interstate Route 10
	ENG. DIST.	Tucson
	COUNTY:	Pima
	RECOMMENDATION:	Establish new right of way as a state route for traffic interchange improvements

*	RES. NO:	2007-11-A-076
	PROJECT:	S-085-A-701 / 085MA138H567502R
	HIGHWAY:	GILA BEND - BUCKEYE
	SECTION:	Lewis Prison – Gila River
	ROUTE NO.	State Route 85
	ENG. DIST.	Phoenix
	COUNTY:	Maricopa
	RECOMMENDATION:	Amend Resolution 2007-06-A-048 due to a design change

STATE ENGINEER'S REPORT

Sam Elters reported on construction and projects completed in October, 2007. There are 101 projects under construction for a total of \$1.034 billion. Nine projects were finalized in October for a total of \$23.1 million. Fiscal year-to-date 41 projects have been finalized.

CONSTRUCTION CONTRACTS

Interstate Federal-Aid ("A" "B") projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

* BIDS OPENED: October 26
HIGHWAY: YUMA-CASA GRANDE HIGHWAY (I-8)
SECTION: Adonde Road – Mohawk Canal
COUNTY: Yuma
ROUTE NO.: I-8
PROJECT: IM-008-A(201)A 008 YU 029 H624001C
FUNDING: 94% Federal 6% State
LOW BIDDER: FNF Construction, Inc.
AMOUNT: \$ 8,110,296.47
STATE AMOUNT: \$ 8,920,405.00
\$ UNDER: \$ 810,108.53
% UNDER: 9.1%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

Non-Interstate Federal-Aid (“A” “B”) projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED: October 5
HIGHWAY: PRESCOTT-FLAGSTAFF HIGHWAY (SR 89A)
SECTION: Cement Plant Road-Black Hills Drive
COUNTY: Yavapai
ROUTE NO.: SR 89A
PROJECT: AC-STP-A89-A(002)A 089A YV 349 H412901C
FUNDING: 94% Federal 6% State
LOW BIDDER: S.J. Louis Construction, Inc.
AMOUNT: \$ 10,114,376.67
STATE AMOUNT: \$ 11,972,346.00
\$ UNDER: \$ 1,857,969.33
% UNDER: 15.5%
NO. BIDDERS: 8
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously. Mr. Schorr recused himself from this Item.

* BIDS OPENED: October 19
HIGHWAY: WICKENBURG-KINGMAN HIGHWAY (US 93)
SECTION: Wickenburg Bypass
COUNTY: Maricopa
ROUTE NO.: US 93
PROJECT: NH-093-B(008)B 093 MA 198 H582501C
FUNDING: 92% Federal 8% State

LOW BIDDER: Markham Contracting Co., Inc.
AMOUNT: \$ 26,970,653.01
STATE AMOUNT: \$ 25,473,900.00
\$ OVER: \$ 1,496,753.01
% OVER: 5.9%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

BIDS OPENED: October 5
HIGHWAY: VARIOUS REGIONAL FREEWAYS
SECTION: I-10, SR 101L, SR 202L
COUNTY: Maricopa
ROUTE NO.: I-10, SR 101L, SR 202L
PROJECT: 888-A(202)B 888 MA 000 H701301C
FUNDING: 94% Federal 6% State
LOW BIDDER: Royden Construction Co.
AMOUNT: \$ 1,117,092.00
STATE AMOUNT: \$ 1,618,846.00
\$ UNDER: \$ 501,754.00
% UNDER: 31.0%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Feldmeier and passed unanimously. Mr. Schorr recused himself from this Item.

BIDS OPENED: October 26
HIGHWAY: CITY OF GOODYEAR
SECTION: Goodyear Traffic Operations Center
COUNTY: Maricopa
ROUTE NO.: N/A
PROJECT: CM-GDY-0(010)X 0000 MA GDY SS54501C
FUNDING: 94% Federal 6% City of Goodyear
LOW BIDDER: ITS Engineers and Constructors of Utah Inc.
AMOUNT: \$ 523,500.00
STATE AMOUNT: \$ 473,000.00
\$ OVER: \$ 50,500.00
% OVER: 10.7%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Zubia and passed unanimously.

Non-Interstate Non-Federal Aid

BIDS OPENED: October 5
HIGHWAY: WILLIAMS-GRAND CANYON-CAMERON
HIGHWAY (SR 64)
SECTION: Milepost 187.92 to Milepost 189.39
COUNTY: Coconino
ROUTE NO.: SR 64
PROJECT: 064-A-NFA 064 CN 187 H681301C
FUNDING: 100%
LOW BIDDER: Haydon Building Corp.
AMOUNT: \$ 2,238,566.73
STATE AMOUNT: \$ 1,984,250.00
\$ OVER: \$ 254,316.73
% OVER: 12.8%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

BIDS OPENED: October 26
HIGHWAY: COTTONWOOD-CAMP VERDE-MOGOLLON RIM
HIGHWAY (SR 260)
SECTION: Western Drive – Thousand Trails
COUNTY: Yavapai
ROUTE NO.: SR 260
PROJECT: 032-6-NFA 260 YV 208 H386802C
FUNDING: 100% State
LOW BIDDER: Ames Construction, Inc.
AMOUNT: \$ 14,238,190.00
STATE AMOUNT: \$ 17,497,600.00
\$ UNDER: \$ 3,259,410.00
% UNDER: 18.6%
NO. BIDDERS: 8
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously. Mr. Schorr recused himself from this Item.

* BIDS OPENED: October 5
HIGHWAY: STATE HIGHWAY – MARICOPA ROAD (SR 347)
SECTION: SR 347 – Maricopa Road – Casa Grande Highway
COUNTY: Pinal
ROUTE NO.: SR 347

PROJECT: S-347-A-502 347 PN 173 HX17601C
FUNDING: 28% State 72% City of Maricopa
LOW BIDDER: AJP Electric, Inc.
AMOUNT: \$ 157,691.00
STATE AMOUNT: \$ 160,399.00
\$ UNDER: \$ 2,708.00
% UNDER: 1.7%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

SUBJECT: PRIORITY PLANNING ADVISORY COMMITTEE MEETING (PPAC)

FY 2008-2012 Transportation Facilities Construction

ROUTE NO: SR 85 @ MP 53
COUNTY: Pima
SCHEDULE: FY 2008
SECTION: Lukeville Port of Entry Modifications
TYPE OF WORK: Remove median and add two lanes for POE.
PROGRAM AMOUNT: \$ 1,500,000
PROJECT MANAGER: Rudulfo Perez
PROJECT: H745001C
REQUESTED ACTION: Establish a new construction project in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 Statewide Contingency Fund #72308. The remaining cost of this project will be financed with private funds.**
NEW PROGRAM AMOUNT: \$1,500,000

Board Action: A motion to approve the above recommendation upon contingent that private funds are contributed was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously.

COMMENTS AND SUGGESTIONS

Board Members had the opportunity to suggest items they would like to have placed on future Board Meeting Agendas. There were no suggestions.

Board policy regarding placement of items on Board Meeting and Study Session Agendas

Board Action: Mr. Feldmeier moved to go into Executive Session to obtain legal advice. The motion was seconded by Mr. Householder and passed unanimously.

Attorney's advice was received and Item 44 was taken care of. A sealed cassette recording exists of the Executive Session held for Item 44.

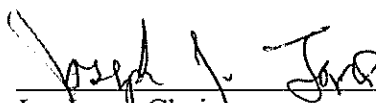
CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Zubia, seconded by Mr. Feldmeier and passed unanimously.

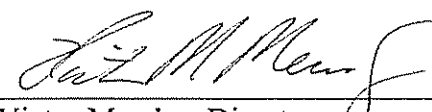
ADJOURN

Board Action: A motion to adjourn was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

The meeting adjourned at 11:57 a.m.



Joe Lane, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda